

Message Text

CONFIDENTIAL

PAGE 01 STATE 083771
ORIGIN L-03

INFO OCT-01 AF-10 ARA-06 EUR-12 EA-07 NEA-10 IO-13
ISO-00 EB-08 SIG-01 MMO-01 CIAE-00 DODE-00 PM-04
H-01 INR-07 NSAE-00 NSC-05 PA-01 PRS-01 SP-02
SS-15 USIA-06 AID-05 OMB-01 TRSE-00 /120 R

DRAFTED BY L:MBFELDMAN:CDJ

APPROVED BY L:MBFELDMAN

L/EB:SBENSON

EB/IFD/OIA:GMITCHELL

IO/IEP:RPOOLE

-----141808Z 074699 /53

P R 141534Z APR 77

FM SECSTATE WASHDC

TO USMISSION USUN NEW YORK PRIORITY

USMISSION GENEVA PRIORITY

AMEMBASSY CANBERRA PRIORITY

AMEMBASSY BRUSSELS PRIORITY

AMEMBASSY OTTAWA PRIORITY

AMEMBASSY PARIS PRIORITY

AMEMBASSY BONN PRIORITY

AMEMBASSY ROME PRIORITY

AMEMBASSY THE HAGUE PRIORITY

AMEMBASSY OSLO PRIORITY

AMEMBASSY STOCKHOLM PRIORITY

AMEMBASSY BERN PRIORITY

AMEMBASSY LONDON PRIORITY

AMEMBASSY TOKYO PRIORITY

AMEMBASSY ALGIERS PRIORITY

AMEMBASSY BOGOTA PRIORITY

AMEMBASSY MEXICO PRIORITY

AMEMBASSY LAGOS PRIORITY

AMEMBASSY ISLAMABAD PRIORITY

AMEMBASSY FREETOWN PRIORITY

AMEMBASSY CARACAS PRIORITY

AMEMBASSY KINSHASA PRIORITY

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 083771

AMEMBASSY TEHRAN PRIORITY
INFO ALL DIPLOMATIC POSTS

C O N F I D E N T I A L STATE 083771

E.O. 11652: GDS

TAGS: EINV, EGEN, ECOSOC, UN

SUBJECT: MTG OF ECOSOC WORKING GROUP ON ILLICIT PAYMENTS/
CORRUPT PRACTICES

REF: (A) USUN 989 (NOTAL) (B) STATE 59669

BEGIN UNCLASSIFIED

1. ECOSOC-ESTABLISHED AD HOC WORKING GROUP ON THE PROBLEM OF CORRUPT PRACTICES HELD ITS THIRD SESSION MARCH 28 - APRIL 8 IN NEW YORK. GROUP REPRESENTS BOTH DEVELOPED AND DEVELOPING COUNTRIES, ALTHOUGH MAJORITY OF FORMER, WITH EXCEPTION OF U.S. AND JAPAN, PARTICIPATE AS OBSERVERS. FARROKH PARSI OF IRANIAN MISSION TO UN WAS ELECTED CHAIRMAN TO REPLACE AMB. RAFAEL RIVAS OF COLOMBIA WHO HAS LEFT NEW YORK. NEW COLOMBIAN DEPUTY PERMREP, DR. JOSE BOTERO, WAS ELECTED VICE CHAIRMAN. OTHER OFFICERS INCLUDE VICE CHAIRMAN JUNICHI NAKAMURA OF JAPAN AND RAPPORTEUR HAROLD E.L. ACEMAH OF UGANDA.

2. GROUP CONCLUDED SESSION WITH SUBSTANTIVE REVIEW OF DRAFT ARTICLES OF POSSIBLE INTERNATIONAL AGREEMENT ON ILLICIT PAYMENTS PREPARED BY SECRETARIAT AT REQUEST

OF WORKING GROUP. DISCUSSIONS PROCEEDED WITHOUT PRE-JUDICE AS TO POSITION OF ANY GOVERNMENT OR AS TO FORM OF INSTRUMENT IN WHICH TEXTS ULTIMATELY MIGHT BE USED. WORKING GROUP SCHEDULED RESUMED SESSION FOR CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 083771

JUNE 27 - JULY 1 IN GENEVA TO COMPLETE ITS MANDATE TO REPORT TO ECOSOC THIS SUMMER. WORKING GROUP ALSO DIRECTED THE TNC CENTER TO PREPARE, UNDER SUPERVISION OF RAPPORTEUR, REVISED ARTICLES TAKING INTO ACCOUNT INFORMAL DISCUSSIONS DURING THIRD SESSION. THESE REVISED TEXTS WILL BE ANNEXED, ALONG WITH ORIGINAL WORKING PAPER PREPARED BY CENTER, TO DRAFT REPORT TO BE PRESENTED TO RESUMED SESSION OF WORKING GROUP BY RAPPORTEUR.

3. IN SECOND WEEK OF THIRD SESSION OF WORKING GROUP DISCUSSION IN INFORMAL SESSIONS MOVED FROM SECRETARIAT WORKING PAPERS TO DRAFT TEXTS OF PROVISIONS THAT ULTIMATELY MIGHT BE INCLUDED IN AN INTERNATIONAL AGREEMENT ON ILLICIT PAYMENTS. MOST DELEGATIONS SUPPORTED PROVISIONS EMPHASIZING HOST COUNTRY RESPONSIBILITY FOR PROHIBITION OF BRIBERY AND INTERNATIONAL COOPERATION THROUGH EXCHANGE OF INFORMATION, JUDICIAL ASSISTANCE AND EXTRADITION, ALTHOUGH SEVERAL DELEGATIONS

NOTED THEY DO NOT EXTRADITE NATIONALS. U.S. PROPOSALS FOR HOME COUNTRY PENAL SANCTIONS WERE WELCOMED BY IRAN AND SOME OTHER LDCS. WESTERN GROUP (WEO) REACTIONS RANGED FROM CAUTIOUSLY POSITIVE (CANADA AND NETHERLANDS) TO SERIOUS DOUBTS (JAPAN AND FRG). BELGIUM INDICATED ITS LAW CONTEMPLATES SUCH JURISDICTION PROVIDED THE ACT IS ALSO CRIMINAL IN THE STATE WHERE IT IS COMMITTED AND THE HOST GOVERNMENT REQUESTS BELGIUM PROSECUTION. IRAN AND NIGERIA SUPPORTED PUBLIC DISCLOSURE OF AGENTS' FEES ON GENERAL LINES OF U.S. PROPOSALS BUT ALL WEOS OBJECTED TO PUBLIC DISCLOSURE PROVISIONS. USDEL INFORMALLY, AND ON PERSONAL BASIS, EXPLORED POSSIBILITY OF A SYSTEM OF EXCHANGE OF INFORMATION AMONG GOVERNMENTS CONCERNING AGENTS' FEES BACKED UP BY HOME AND HOST COUNTRY PENAL SANCTIONS FOR FAILURE TO REPORT AND FALSE REPORTING COUPLED WITH VOLUNTARY PROVISIONS FOR PUBLIC DISCLOSURE OF AGENTS' CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 083771

FEES WHICH PROVISIONS MIGHT BECOME OBLIGATORY UPON RATIFICATION OF THE AGREEMENT BY A CERTAIN NUMBER OF STATES. REACTIONS WERE NON-COMMITTAL.

4. WEOS (OTHER THAN U.S.) REGISTERED STRONG OBJECTIONS TO SECRETARIAT TEXT CALLING FOR PUBLIC DISCLOSURE OF POLITICAL CONTRIBUTIONS, PROHIBITION OF FAVORABLE TAX

TREATMENT FOR FOREIGN BRIBES, AND CIVIL REMEDIES SUCH AS INVALIDATION OF CONTRACTS PROCURED BY BRIBERY. USDEL INDICATED IT FOUND MERIT IN PROHIBITING TAX DEDUCTIONS FOR FOREIGN BRIBES AND MAINTAINED NEUTRALITY ON OTHER TWO ISSUES.

5. AFRICANS MADE STRONG STATEMENTS IN SUPPORT OF PROVISIONS THAT WOULD PROHIBIT PAYMENTS OF ROYALTIES AND TAXES TO ILLEGAL REGIMES IN CONTRAVENTION OF UN RESOLUTIONS. WEO DELS, WHILE EXPRESSING SYMPATHY WITH AFRICAN CONCERNs, NOTED THAT THESE ISSUES ARE UNDER ACTIVE DISCUSSION IN CONNECTION WITH THE SECURITY COUNCIL AND WOULD BE INAPPROPRIATE IN CONTEXT OF AN INTERNATIONAL AGREEMENT ON BRIBERY. FURTHER POINT WAS STRONGLY MADE THAT GOVERNMENTS WOULD NOT BE READY TO ACCEPT OPEN-ENDED LEGAL OBLIGATION TO COMPLY WITH GENERAL ASSEMBLY RESOLUTIONS. AFRICANS INSISTED THIS ISSUE MUST BE INCLUDED IN INTERNATIONAL AGREEMENT ON ILLICIT PAYMENTS BUT APPEARED FLEXIBLE ON DETAILS.

END UNCLASSIFIED.

BEGIN CONFIDENTIAL.

6. THROUGHOUT THE MTG MAIN POLITICAL PROBLEM WAS
CONTINUED INSISTENCE BY MEXICAN AND VENEZUELAN DELS
THAT ILLICIT PAYMENTS ISSUE SHOULD BE DEVELOPED WITHIN
CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 083771

THE BROADER FRAMEWORK OF CODE OF CONDUCT. THESE DELS
DID NOT WISH WORKING GROUP TO TAKE ANY OFFICIAL
ACTION TO COMMENCE DRAFTING PROCESS. USDEL LEARNED
SOME OTHER LDCS SUPPORTED THIS VIEW IN G-77 MTGS, BUT
STRONG IRANIAN CHAIRMAN WAS ABLE TO ACHIEVE G-77 SUPPORT
FOR THE PROCEDURE DESCRIBED PARA 1 ABOVE. WHEN ISSUE
WAS RAISED IN FORMAL MTGS, UK OBSERVER, IN MOVE WHICH
THREATENED DELICATE COMPROMISE UPON WHICH GROUP'S WORK
WAS PROCEEDING, ARGUED IT WAS PREMATURE FOR WORKING
GROUP TO DECIDE NOW THAT TEXTS WOULD BE ANNEXED TO
ITS REPORT. FRG AND ITALIAN OBSERVERS ALSO EXPRESSED
RESERVATIONS ABOUT ANY SUBSTANTIVE REPORT ON AN
INTERNATIONAL AGREEMENT TO SUMMER ECOSOC. HOWEVER,
MEMBERS, INCLUDING USDEL, ACCEPTED PROCEDURE SUG-
GESTED BY CHAIRMAN.

7. WORKING GROUP MADE MORE PROGRESS THIS ROUND THAN
U.S. HAD ANTICIPATED. DESPITE LACK OF ANY CONSENSUS
ON BASIC POLITICAL QUESTIONS, GROUP IS NOW ENGAGED
IN FULL SUBSTANTIVE DISCUSSION AND ACTUAL DRAFTING OF

DOCUMENTS. EFFORTS OF USUN AND TEHRAN WERE ESPECIALLY
HELPFUL IN OBTAINING THIS RESULT. U.S. ANTICIPATES
JUNE SESSION WILL ADVANCE WORK STILL FURTHER, BUT
THAT BASIC QUESTIONS WILL BE LEFT FOR ECOSOC DECI-
SION TOWARDS THE END OF JULY. OPTIMUM RESULT FROM
U.S. STANDPOINT WOULD BE ECOSOC DECISION TO CONVENE
DIPLOMATIC CONFERENCE TO PREPARE INTERNATIONAL AGREE-
MENT FOR ADOPTION BY GENERAL ASSEMBLY IN 1978.

8. NEXT CRITICAL PHASE IS APPROVAL BY SPRING ECOSOC
(APRIL 12 - MAY 13) OF PROCEDURAL RECOMMENDATIONS OF
WORKING GROUP. FINAL REPORT OF GROUP IS DUE TO BE
SUBMITTED TO SUMMER ECOSOC (JULY - AUGUST). HOWEVER,
ON PRESENT SCHEDULE FINAL REPORT OF GROUP WILL NOT
BE READY IN TIME TO MEET ECOSOC PREFERENCE FOR
CONFIDENTIAL

CONFIDENTIAL

PAGE 06 STATE 083771

RECEIPT OF REPORTS SIX WEEKS IN ADVANCE OF ITS MTGS.

USUN WILL HAVE TO MAKE MAJOR EFFORT TO OVERCOME
SOVIET AND OTHER OBJECTIONS TO THIS COMPRESSED
SCHEDEULE. WE ALSO MAY NEED ASSISTANCE IN CAPITALS
ON THIS ISSUE.

END CONFIDENTIAL.
VANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CORRUPTION, BRIBERY, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Apr-1977 12:00:00 am
Decapton Date: 01-Jan-1960 12:00:00 am
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE083771
Document Source: CORE
Document Unique ID: 00
Drafter: MBFELDMAN:CDJ
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770130-0056
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770456/aaaabwxe.tel
Line Count: 231
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e33123a5-c288-dd11-92da-001cc4696bcc
Office: ORIGIN L
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 USUN NEW YORK 989, 77 STATE 59669
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2804643
Secure: OPEN
Status: NATIVE
Subject: MTG OF ECOSOC WORKING GROUP ON ILLICIT PAYMENTS/ CORRUPT PRACTICES
TAGS: EINV, EGEN, XX, ECOSOC, UN
To: USUN NEW YORK GENEVA MULTIPLE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/e33123a5-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009